

STATE WORKFORCE INVESTMENT BOARD

STATE CAPITOL, HELENA
SEPTEMBER 20, 2005

BOARD MEMBERS PRESENT: Chairman Dan Miles, Evan Barrett, Dave Crum, Marty Copps, Thomas Curry, Michael DesRosier, Michael Grove, Kirk Hammerquist, Jacquie Helt, Keith Kelly, Maureen Kenneally, Lane Larson, Robbe Lindsay, Teresa Wall-McDonald, Jody Messinger, Joan Miles, Rodney Miller, Michael O'Neill, Arlene Parisot, Gary Perry, Tony Preite, John Prinkki, Jeff Rupp, Fred Sargeson, Alan Skari, Linda Woods.

BOARD MEMBERS PRESENT via Conference Call: John Beaudry, Karen Sullivan.

BOARD MEMBERS ABSENT: Shirley Ball, Arlene Becker, Lew Jones, Julie Jordan, Gail Richardson, Don Taylor.

STAFF: Pam Watson, Penney Clark

GUESTS: Jared Haddahan, T. Gary Curtis, Rick Deady, Shannon Harrison, Ingrid Childress, Wendy Keating, Bob Simoneau, Gary Warren, Gary Wright, Joe Nevin, Mike Kahoe, Jay Reardon, Al Eckblad, Jim Wheat, Linda Moodry, Mary Berg, Doug Kaucher, Harold Blattie, Pat Murdo, Mike Murray, Ed Tinsley, Webb Brown, Jasyn Harrington, Sheila Hogan, Becky Bird, Bruce Day, Warren Smeltzer, William Snoddy, Patti Keebler, Wayne Stahl, Heather George, David Morey, Jim Hunt, Russ Tempel, Lisa Newman, Don Judge, Arnie Gettel, Gordon Hendrick, Bob Henry, Tom Hayes, Judy Stang, Linda Coleman, Deb Buxbaum, Norma Boetel, Mary Danford, Ken Ronish, Darrel Hannam, Denise Bond, Leslie DeWitt, Jessica Snyder, Tonya Kent, Peg Williams, Mike Nephew, Suzanne Ferguson, Leslie Duffy, Kate Kahle, Cherelee Martin, Rebecca Clark.

I. Call to Order

Chairman, Dan Miles, called the meeting to order at 1:00 PM.

II. Welcome and Introductions

Chairman Miles welcomed everyone to the meeting and introduced Governor Brian Schweitzer. Governor Schweitzer spoke to the group about using the Montana Ambassador System and encouraged potential investors to bring their businesses to Montana. The major concern of companies looking at bringing their businesses to Montana is whether Montana can provide the workers. Governor Schweitzer reiterated the four items that he has charged the State Workforce Investment Board with, (1) accountability, (2) eliminate excessive red tape, (3) put more dollars on the ground to train, and (4) more local involvement. The Governor stated that time is of the essence

and that the system needed to be more efficient to be successful. The Governor challenged the group to put an additional one million dollars on the ground in local communities for training. The Governor thanked the group for the opportunity to speak to them.

Chairman Miles thanked the Governor for addressing the group and discussed the difficult task at hand, encouraging everyone to stay focused and do their duty as board members appointed by the Governor. He thanked the Board members for the time they devoted to reviewing the comments and coming to the meeting. He reminded the Board of the Governor's charge to increase accountability, improve real local input and involvement, reduce the excessive bureaucratic layering and increase the amount of dollars delivered to participants, including the last and the least and the citizens of Montana's tribal nations.

Roll call was taken and Chairman Miles stated that the meeting was being taped but that the tapes were not the official record of the meeting. They will be used only to insure the accuracy of minutes. Once the minutes are approved and become a matter of public record, the tapes are destroyed.

Chairman Miles reminded the Board and members of the audience that the Board conducts business according to Robert's Rules of Order. He gave a brief explanation of the process that would take place and the procedure that would be used. Chairman Miles introduced Mark Cadwallader, an attorney with the Department of Labor and Industry that will be acting as parliamentary expert for today's meeting.

III. Approval of Agenda

Chairman Miles asked for a motion to approve the agenda. Keith Kelly moved to approve the agenda, John Prinkki seconded, and the motion was unanimously approved.

IV. Public Comment

Chairman Miles asked for public comment on any public matter relating to the state board, other than the items on the agenda and advised that any comments would be incorporated into the official minutes of the meeting and open to public inspection. There were no public comments at this point.

V. Housekeeping Items

Pam Watson reviewed some housekeeping items with the Board. These included the travel forms, the documents contained in the packet, emergency exits and microphone use. Everyone speaking was asked to identify themselves for the benefit of the folks participating in the meeting via conference call.

VI. Update/Status of USDOL Review

Chairman Miles gave a brief review of the previous action of the Board relative to this issue, and asked Keith Kelly, Commissioner of the Department of Labor, to give an update on what had taken place since the last meeting with regard to the US

Department of Labor (USDOL) review. Commissioner Kelly reported that a timely response was filed with the USDOL. Copies of the response were provided to the Board and Commissioner Kelly reviewed the response.

Mr. Grove asked what could be expected to happen now. Commissioner Kelly responded that he had spoken with USDOL and was advised that Hurricane Katrina had caused delays. However, the Department's response had been taken under review and USDOL will consider assisting the Department with the technical or financial audit areas by providing expertise. However, USDOL indicated that most of the responsibility to conduct the audit of the individual files rests with the State of Montana. A formal response is expected back within the next couple of weeks.

Chairman Miles asked for public comment on this agenda item. Judy Stang, Mineral County Commissioner, BOS Council of Commissioners and Board of Directors for MJTP, handed out comments to the monitoring audit summary. Commissioner Stang stated that since she became a commissioner in the early 1990's, there has been an independent audit done by Galusha, Higgins & Galusha, and the financial integrity was always qualified and the monitoring reports were always good. Commissioner Stang asked the committee to really look at this process because she questions how the audit was done and the process used. Commissioner Stang expressed concern that the audit was done behind closed doors, no questions were asked, the findings weren't discussed with staff, and there was no exit conference.

Jim Hunt, Chairman of the BOS County Commissioners, stated that he has concerns about the audit. As chairman of the Council of Commissioners, he would have liked to have this information prior to reading it in the paper. He indicated his concern that the commissioners weren't notified, and stated that the commissioners need to know what is happening because this is a partnership between the state, the service providers and the county commissioners. Chairman Hunt advised that the commissioners haven't been allowed to make comments and the commissioners are meeting the 26th and 27th of September, which would be the appropriate time for these issues to be addressed. He hopes that this process can be corrected for the benefit of the county commissioners who are the first line for services provided in their counties and have to answer when things go haywire. Chairman Hunt wishes that the commissioners had been given an opportunity to review the monitoring reports.

Mary Danford with Montana Peaks in Flathead County explained that she is housed with the Columbia Falls Aluminum Company's (CFAC) 11 local unions in Columbia Falls and they provide training across Montana on heavy equipment and non-traditional employment for women. Ms. Danford requested the Board make sure in this review, when they look at the monitoring, that they contact every one of the CFAC and Stimson dislocated workers and ask them some questions including: what kind of training did they receive; what was the quality; what were the trainer's credentials; and what was the resulting job placement and the wages they received. Over 25 CFAC and Stimson employees went through the heavy equipment and Sage Trucking training at Flathead Valley Community College and they were charged between \$10,000 and \$11,000 per

person. That is not the same price that is being charged for that course right now and many of those employees are working at \$10.00 an hour. She feels there is more of an issue in terms of the quality of training and not just the supportive services that are mentioned in this review. If the audit is going to be done file by file, those people have something to say. Flathead Valley Community College received \$294,000 near the end of the training because of the full time equivalencies; they were able to draw down more money from the Board of Regents. She stated that there needs to be a review of Flathead Valley Community College's receipt of training dollars and what happened with the dislocated workers.

Hearing no other public comments, the item was opened for discussion among the Board members. Evan Barrett wanted to clarify that the board's action at the last meeting is what was being followed up on. Mr. Barrett stated that it was his belief that the motion was to direct staff to respond to the monitoring report, to take whatever corrective actions were necessary, and do it in the most expeditious manner possible to get the issues resolved as soon as possible. He wondered if maybe Commissioner Kelly could comment on that. Commissioner Kelly stated for clarification that this was a federal audit that identified deficiencies the Department of Labor had, as well as how some local services were provided. The federal government has a right to audit because it is their money. When they see things that don't add up they ask questions. This information was provided to the entities as prescribed in the Agreement signed on April 6th; copies of all information were provided to the Chairs of the two local boards, as well as to MJTP, Inc. The Department of Labor is moving forward as fast as it can on this matter.

Senator Larson asked Commissioner Kelly how and what triggers an audit. Commissioner Kelly stated that the USDOL conducts periodic audits of states, and they are routine.

Chairman Miles asked for the opportunity to clarify a point of order. The formal rules of debate do not provide for a member who has the floor to ask a question of another member and to get an immediate response. In normal debate, if a question is raised, it can only be answered during the time another member has for debate. However, if no one on the Board objects, the rules can be suspended to allow a member to immediately respond to a question directed to that member's attention. So, in other words, if a member who is speaking in debate has a question of another board member and they want to ask it, the Board can suspend the rule to allow for that. In that case, the member who is speaking in debate should be aware that the time spent by the other member in responding would count against the original member's ten minutes. If this Board would prefer to suspend the rule on that and allow one board member to ask another board member a question, it can be done.

Senator Larson moved to suspend the rule. Mr. Sargeson seconded the motion. The motion carried.

Senator Larson asked that since the Board last met on August 30, why were the documents that had been handed out dated September 7 and September 14 not included in the packet that was sent to the Board members. Commissioner Kelly responded that he was just following up with copies of the documentation that was sent to the USDOL.

Hearing no further discussion, Chairman Miles moved to the next agenda item.

VII. Two-Year State Plan Modification

Chairman Miles stated that the action item during the last meeting was to direct the staff to draft a plan modification to move Montana to a single statewide planning area. The Board is meeting today to have discussion, take public comment and take action on the two-year plan modification, and the waiver to the State Plan. Chairman Miles asked for a motion on agenda item number two, the two-year state plan modification. Evan Barrett moved that this body approve the Workforce Investment Act two-year plan modification that was prepared, submitted, and publicly noticed on September 2 and that following acceptance of that plan, submit it to Governor Brian Schweitzer for him to advance to the US Department of Labor. Mr. Sargeson seconded the motion. Chairman Miles restated the motion so that everyone clearly understood the motion presented by Mr. Barrett. Chairman Miles announced that the motion was up for debate by the members of the Board.

Mr. Barrett expressed his appreciation to Pam Watson for the work that she did in terms of turning around the action of the Board and converting the elements of the white paper into a Plan Modification. Mr. Barrett stated that the discussion at the last meeting related to the Governor's charge to this Board to accomplish the four major objectives stated earlier, and that this plan as drafted and publicly noticed does all of those things. The responsibility here is to the taxpayers but also to those who need training. Mr. Barrett said that it is difficult any time there is change. However, the nature of this change is to help unfortunate families and workers of Montana who need training and skill upgrades to get into the workforce and sustain their families. While this change is causing some difficulty for a handful of folks whose jobs may be lost in this process, it is respecting the mission of this body to reach the people that need the help. The quicker the process is implemented, the more dollars that will be put on the streets of Montana to train people in a meaningful manner. Mr. Barrett has had many discussions with the Governor as well as other interested parties, and there are some things that need to be said about the Governor's intent as the top elected official in the planning area. This proposal creates a single statewide planning area with the chief elected official being the Governor. The Governor is committed to putting those dollars on the streets, but as part and parcel of that, he is also committed to engaging in an active dialog and discussion on how this is to be delivered locally. There is no cookie cutter approach that works uniformly across the state or in every community. The Governor has instructed Commissioner Kelly to meet and discuss with the county commissioners, mayors, local service providers, with community management teams (CMTs) and with other interested parties, to determine the way in which service delivery will occur at the

local level. This is about empowerment at the local level. Mr. Barrett urged the adoption of the motion.

Chairman Miles asked for any other discussion on the motion. The Chair recognized Mr. Prinkki. Mr. Prinkki addressed his questions to Commissioner Kelly and Mr. Barrett. Mr. Prinkki stated that he represents the commissioners on this board and that the MACo annual meeting will be held September 26-28 in Billings. Mr. Prinkki stated for the record his objection to the speed at which the issue is being dealt with. The commissioners do not feel that waiting a week would have jeopardized funding or would have hurt the board in any way. Mr. Prinkki did make the motion to proceed with developing the modifications to the Workforce Investment Act but did not agree with the date. Mr. Prinkki said that he had some questions, the first being why the board has to have such a rushed decision, why the agreement signed by the MT Department of Labor and Industry, local board chairs, and council of commissioner members on April 6 to address HB 589 to withdraw from the legislative session is not being honored; and why the Board cannot wait to find out how the USDOL reviews the monitoring responses from MJTP and from the MT Department of Labor. The questions raised in the monitoring report may have been adequately answered. Mr. Prinkki would also like to know more about American Community Partnerships, the company that did the white paper that was reviewed at the last meeting. He also would like to know more about the process for securing the services of American Community Partnerships. Chairman Miles asked Commissioner Kelly and Mr. Barrett to respond to the questions. Commissioner Kelly responded that it was important to take advantage of the window of opportunity within this year to make significant changes in the way that services are delivered. Governor Schweitzer raised questions on the cost of the bureaucracy and has challenged the board to find ways to do it more efficiently and cost effectively. The USDOL could take up to 90 days to review the MT Department of Labor request for a waiver and that if the full 90 days were utilized it would be December 20th before an answer is received. Further compounding this is that now the USDOL and Congress are trying to deal with Hurricane Katrina issues. There is open discussion in Washington DC about the Workforce Investment Act (WIA) Reauthorization being moved into this fiscal year. If that should happen, then by December 31st the window will be shut. Commissioner Kelly also said that he wasn't sure the federal government was going to review MJTP's comments. MT Department of Labor reviewed the MJTP comments and included them in the Department's response. Commissioner Kelly stated that his signature was on the agreement on behalf of the Department of Labor and Industry and Hal Harper only witnessed the signing of the agreement. There is also a provision to dissolve the agreement, and Commissioner Kelly advised that based on the monitoring review findings, it was his intention to withdraw from the agreement. Mr. Barrett also responded to Mr. Prinkki's questions. He addressed the April 6 agreement and said that the multi-layer construction was not effective and that it was a well-intended structure, put together over time, but that it does not make much sense at this time. Mr. Barrett stated that an agreement was entered into with American Community Partnerships for less than \$25,000.00 and explained the process used to select American Community Partnerships. They have extensive experience in workforce development, and have an established a working relationship with organized labor and

private non-profit organizations. They were chosen, following state procurement rules, as the best organization to do the white paper. Mr. Barrett reiterated that every day that passes, fewer dollars reach the people that really need them.

Mr. Sargeson stated that the audit issues and the decision to reduce administrative costs are not related. Mr. Curry asked if this was going to be an ongoing process with adjustments, or if the organizational chart that was contained in the board information was rock solid. Commissioner Kelly explained that the chart addressed the workforce system structure, and illustrates the reduction of bureaucracy. What isn't contained in the chart is how to get it down on the ground to make sure that there is adequate delivery. Mr. Curry said that his question was for the local communities from the bottom up. He stated that he sees a lot of from the top down, the chart shows that there will be a large increase in the number of CMTs and he feels that it will be difficult to get that many people to agree on anything. Mr. Curry would like to see a more efficient means of getting the needs of the people on the ground to this board and to the Governor's office. Mr. Barrett said that the easiest thing to do is to draw a box on a piece of paper and pretend that you have an organizational structure that works. However, that is not real world and there is no cookie cutter approach. The way this works in Missoula is probably going to be different than the way it works in Cut Bank. It is going to take some legwork and some activity. This is not one size fits all. The Governor's office has pledged the willingness to spend the time and energy to allow it to reflect the individual local community needs, as has the State Board in the language of the Plan Modification.

Senator Perry stated that he would like to withhold any discussion on his part until after the public comment because there is a provision in the agenda for further board discussion after the public comment.

Mr. Grove stated that he applauds the work that staff has done on the plan and speaking from his perspective, it accomplishes what the governor talked about, which is to put more money where the training needs are. He stated he likes the plan but feels that the part that is still lacking is the delivery system and how that money will get to where it's needed. Mr. Grove suggested that perhaps the Board should appoint a group to specifically deal with that issue.

Mr. O'Neill asked for clarification on Mr. Barrett's motion. He stated that it was his understanding that if a board member voted for Mr. Barrett's motion they would be voting for the plan modification as staff drafted and publicly noticed it. Mr. O'Neill noted in the comments that suggestions for change were received in the additional comments, and asked if they should be included in the plan and the motion. Commissioner Kelly responded to the question and said that there were about 46 comments received. About 40 of those comments supported the Governor's plan, about 4 of them suggested slowing down the process but generally supporting the plan; there were several opposing the plan. Commissioner Kelly understands Mr. Barrett's motion to be the plan as it is. Mr. O'Neill asked about the Native American group's concerns and suggested changes. Ms. Watson responded to Mr. O'Neill's question. Ms. Watson said that she didn't recall any requests for Plan language changes from Native American groups, but there was a request from Polly LaTray regarding veteran's issues. Ms. LaTray's

comments included the suggestion that someone be appointed to the board to represent veterans, however the law dictates who is to be appointed to the board, and also provides that it is at the Governor's discretion, so that issue can't be addressed in the Plan Modification. In addition, there are veterans currently serving on the board. The second comment by Ms. LaTray was to include veterans as a priority group for inclusion in the additional clients to be served. Ms. Watson explained that veterans are automatically included in the additional clients that will be served, based on the veterans' preference priority in the law, so any language stating this would be redundant. The third comment was to include the common measures. Ms. Watson reported that the common measures are already mandatory to states as of July 1, 2005; they are required by federal law, so again, restating this would be redundant. The fourth comment was an issue regarding veteran's preference priority language not being addressed in the first, original plan. Ms. Watson indicated that the regional office in Dallas told her that they had worked with the Veteran's Office in Washington DC during the plan review process to ensure veterans' preference criteria was met, so Veteran's Affairs in DC had looked at and approved the plan. All of the legal requirements have been met. If there are additional amendments that need to be made to this plan, the Board can amend this plan at a later date. Mr. Barrett said that the Native American concerns were addressed in the document that was submitted about three months ago and would not have been part of the rewrite that was done. He again stated the need to get the Plan Modification and Waiver in place, which is the purpose of the original motion. If there are other changes that need to be made to the document, it can be amended later. Ms. Messinger stated that she works in the Office of Public Instruction, and her office approves all the programs for a veteran to use their GI benefits and she feels that veterans are adequately represented on the Board.

Ms. Copps asked about the statement made in public comments that this is in violation of Montana Law and asked for clarification. Commissioner Kelly responded that is an opinion contained in one of the comments. This has been approached cautiously and the Montana Department of Labor does not believe it is in violation. This has been researched thoroughly and there are precedents set by other states and Montana is following those precedents.

Joan Miles asked if there were contracts that extended into next year and what would happen if the plan modification were approved. Commissioner Kelly responded that the program operator agreements with the local service providers would remain in place through June 30, 2006. An exception to that may be Project Challenge: Work Again due to the fact they have been questioned in the audit because of their practices. He clarified that they certainly may be retained, but that decision will be made upon completion of the audit and monitoring process.

Mr. Rupp asked for clarification on some of Mr. Barrett's comments. Mr. Rupp agrees with the Governor's position on accountability and getting the extra money into the communities, but isn't sure what is meant by more local control. There still seems to be some inherent conflict in oversight and governance responsibility of the Department of Labor and the fact that they would also be running the programs. Mr. Barrett clarified

that the words used have not been “local control” but “local involvement and input.” There will be legally less control by virtue of this change in terms of the legal aspects of who is responsible. In this case the Governor’s authority and responsibility are equally matched. On the other hand, in terms of involvement and input, in some communities everyone may think it is fine and in some cases there could be improvements. Commissioner Kelly responded to the conflict issue, and stated that with regard to the Department of Labor, approximately two weeks ago the state board staff was moved from the Workforce Services Division and is under the Commissioner’s Office. He also commented on the local input issue, and stated that local communities will be determining who should take the leadership role in each community.

Arlene Parisot asked what funds the infrastructure for the One Stop Centers. Commissioner Kelly responded that in the past there was some incentive money, but that is now gone, and he stated that the board shouldn’t be concerned with the “bricks and mortar” of the one stops. There is no requirement that all partners be housed in one building. It should be the responsibility all of the service providers to work collaboratively to align and integrate services, and decide what each partner can bring to the table, so he doesn’t see a lot of cost.

Hearing no further board discussion, the board took a 10-minute recess, after which the meeting reconvened.

Chairman Miles reminded the group that a motion was made and seconded and the Board had discussion on the motion. Chairman Miles called for public comment on the motion. Chairman Miles read the motion so that those making public comment would know clearly what the motion was. Chairman Miles asked that comments be specific to the motion and stated that the public comment period was intended to provide an opportunity for the public to voice their opinions and make statements. It is not a question and answer session.

Gary Curtis, retired employee of the Montana Department of Labor, working with employment training programs addressed the board. Mr. Curtis spoke in support of the Governor’s effort, even though it will negatively impact some people. He stated that the current system has become too contentious to be effective. The need to take action in a short time frame is because the system has gone on too long without being effective and the focus needs to be on improving the system for eligible participants instead of on the struggle for administrative authority.

Bob Simoneau, a retired employee of the Montana Department of Labor, Workforce Services Division urged the members of the Board to support the Governor’s proposal to switch from the current structure to a single statewide planning area system. He said that funds will continue to diminish and this structure will allow the maximum amount of funds to be allocated to direct services and training.

Dave Morey, Director of the Office of Public Assistance in Helena and Chairman of the Capitol Area Workforce System, the Community Management Team for the Helena and

the surrounding area said that he would like to make two points. The first was that the proposal to base the one stop delivery system on MACo district is a good proposal that will help move forward in serving the needs of Montana's working people and employers. Secondly, there is much that is right with the current system. There is a community of workers that can deliver services, a great collective knowledge and a definite will to be of service.

Norma Boetel, Chair of the Balance of State (BOS) Workforce Investment Board spoke about the agreement regarding HB 589, and stated that she felt Commissioner Kelly and the Department of Labor had broken it. Chairman Boetel said that she had copies of a video to illustrate her point for anyone that wanted a copy. She also spoke about a meeting that was required in the Agreement that had been scheduled in September, but when she arrived at the meeting it had been canceled. Ms. Boetel spoke about rural area representation, local control and local involvement. She disagrees with the proposal before the Board and expressed concern about service to the participants.

Lisa Newman, a program specialist and the Shop Steward for the bargaining unit at Montana Job Training Partnership (MJTP) commented on behalf of the 13 members of the bargaining unit. She stated that the staff has enjoyed a good working relationship with MJTP and the staff of the local boards. The staff opposes the proposal before the board and supports the current system. The majority of the staff at MJTP will lose their jobs if the proposal is approved.

Bob Henry, Chairman of the Board of the Concentrated Employment Program assured the Board that the system is not broke and does not need to be fixed. He suggested that the group not make any changes, and postpone any action for at least a year so that the new members of the SWIB could attend meetings and become more familiar with workforce development and not rush into action at the current meeting.

Wendy Keating, retired Commissioner of the Department of Labor and Industry explained that she was bringing a recommendation to the Board on behalf of four previous Commissioners: Mike Foster, Pat Haffey, Laurie Eckenger and herself. All four support this proposal. The Workforce Investment Act was created to demand that the states increase their accountability by abolishing duplication and minimizing and stretching resources by developing partnerships with all the system players. This is a wonderful opportunity to seek input and advice from all of the local entities. This is about the people that need to be served and offering them the best service and the most money.

Mike Kahoe, Chairman of the Concentrated Employment Program Council of Commissioners, Board of Directors of MJTP since it's inception stated that, in his opinion, this proposal is returning the program to the days of the 1990s. Mr. Kahoe feels that the current staff is capable of operating the program with exemplary performance.

Judy Stang, Mineral County Commissioner stated she agrees with everything that Chair Boetel said. In addition, she expressed concern that the county commissioners have to face everything that happens in their county, so if programs are removed from an area, commissioners have to explain and deal with the loss of programs. Commissioner Stang urged the Board to delay their decision until they could do more research.

Jim Hunt, former Park County Commissioner and Chair of the BOS Council explained that commissioners are always aware of what is happening in their communities. Chairman Hunt feels that this issue should come before the county commissioners because they are the front line. Chairman Hunt opposes this proposal until the county commissioners can review it during their meeting scheduled in late September.

Ken Ronish, Fergus County Commissioner and BOS Council of Commissioners member stated that he opposes this proposal until the county commissioner can have a say.

Chairman Miles asked for any additional public comment. Hearing none, Chairman Miles asked for further Board discussion.

Mr. Hammerquist asked Mike DesRosier what the board could expect from the county commissioners after the MACo meeting that would give clarification or direction to their feelings on the decision. Mr. DesRosier stated that he would not be able to answer that question until after the MACo meeting.

Ms. Parisot asked Mr. Barrett what the support or the status of the commissioners is that are located in the CEP area. Mr. Barrett said that there are ten counties in the CEP area and seven of the ten CEP area commissioners have signed an agreement to support the creation of a statewide planning area.

Mr. DesRosier presented a letter from the Chairman of the Blackfeet Tribe outlining the concerns that the tribe has over the closure of the one stop office. Chairman Miles accepted the letter. Commissioner Kelly assured Mr. DesRosier that the Governor has expressed concern for tribal issues and rural offices and keeping them open.

Mr. Prinkki spoke about efficiency being a common goal of everyone and stated how important it is that everyone meet this goal.

Senator Perry expressed his concern about what the board is trying to accomplish at the current meeting. Senator Perry reviewed the letter from the Hill County Commissioners that was submitted as public comment on the Plan Modification, and indicated that there is an agreement that he feels could be violated by a positive action on this motion. He asked if a substitute motion would be considered. Chairman Miles advised that a substitute motion could be made and asked Senator Perry to write down the substitute motion. Senator Perry moved that the Department of Labor present the modification to the two year plan to MACo at their state meeting to commence on September 26 and to report back to this board the results of that presentation, and to

hear from representatives of MACo so that this board can make a more considered and deliberate decision. Jeff Rupp seconded the motion.

Chairman Miles called for debate on the motion. Senator Perry stated that it seemed prudent to allow adequate public comment and public input and that the Board allow adequate information and input from the citizens as to what decision should be made.

Teresa Wall-McDonald stated that this has been a difficult afternoon for everyone because people are passionate about their work and most people are passionate about serving Montanans, but what this is really about is efficiency and the longer this is delayed, the more conflicted this will become. Ms. Wall-McDonald feels that the 18 people that will lose their jobs because of the adoption of the modification is tragic, but that the board must also look at the number of unemployed participants that can be served if the modification is adopted. She also stated that she is keeping in mind the additional 350 Montanans that could be served by adopting the Plan Modification, and reminded board members that those voices are not in the audience today, but should not be forgotten.

Linda Woods asked if the number of BOS commissioners that would support the motion was known. Mr. Barrett responded, indicating that information was not available due to the fact that the Governor is the Chief Elected Official in the BOS, therefore the BOS Council of Commissioners endorsement was not required. Commissioner Kelly also noted that the Department of Labor has not been invited to attend the MACo meeting but within the last couple of weeks has met with the CEP and BOS leadership to discuss the modification and related issues.

Commissioner Kelly asked to speak against the alternative motion. He reminded board members that one of the biggest problems has been communication. Commissioner Kelly urged everyone to move forward on this matter and not delay it by waiting for the MACo meeting.

Joan Miles stated that she opposes the substitute motion, but on a more technical basis. She feels that it is too open ended and it doesn't really specify when further action will be taken. Ms. Miles stated that the Board is hearing from some of the commissioners today, and that county commissioners submitted written comments in support of the proposal, therefore she doesn't feel that she can support the motion worded the way that it is.

Arlene Parisot said that she resists the substitute motion for the same reason that Ms. Miles indicated. Ms. Parisot said that she believes it would be disingenuous to those individuals who made public comment during the time allowed if a decision was delayed until after the MACo meeting. Ms. Parisot noted that the majority of comments received during the official comment period were in support of the modification.

John Prinkki asked to respond regarding the April 6 agreement. One thing that is ignored is the rationale and the reason that the agreement was signed on April 6. On

the first page of the agreement under the fifth "whereas", the reason the agreement was signed was to deal with HB589. If HB589 were in effect, the Board wouldn't be discussing this Plan Modification. The agreement was to deal with HB589 and nothing else.

Mr. Barrett stated his opposition to the motion and asked the members of the Board to do likewise. He reminded the members that the function of this Board is to advise the Governor, not the Department of Labor and Industry. He also reminded the group that county commissioners had the opportunity to respond to the modification during the comment period or public hearing during this board meeting, and several did. The timing of this modification is important because there is a good chance that the federal laws will be changing and after they are changed there may not be a solid underpinning as to how changes will be made to fit within the federal statutes. Mr. Barrett stated that he would like to make the point that this is not his proposal but that he is carrying this proposal on behalf of the Governor. Consultants were retained to work with his office to come up with something that is appropriate to meet the Governor's four objectives. Neither the Governor's objective nor the needs of the people that the Board is here to serve are going to change.

Chairman Miles reviewed the sequence of events and the substitute motion for the members of the Board.

Senator Perry asked to close the debate. He stated that his motion does not detract from the modification, but rather enhances it in that broader statewide support can be obtained. A rapid decision could be a disservice to the Governor. Opposition today in public testimony has run two to one over the proponents. Senator Perry asked everyone to note that he has not expressed opposition to Mr. Barrett's motion, but only to allow more days for consideration and input from MACo. Senator Perry stated that he would personally arrange for an invitation to be extended for Commissioner Kelly to attend the MACo meeting. Senator Perry also noted that according to their bylaws, MACo could not officially respond as an organization to the modification without holding a meeting first.

Chairman Miles called for a vote on the substitute motion. The motion failed. Since Senator Perry's substitute motion came during debate on the original motion, the floor returned to debate on the original motion.

Mr. Crum stated his support of the modification and expressed concern based on the monitoring findings that 38 files out of 47 have problems. There is a problem, when Program Operators or other responsible parties don't know what is going on in the programs; he doesn't feel the programs can deliver services to individuals in the most effective manner if these issues are occurring. Change is good, sometimes things have to change to be made better.

Mr. Grove stated that he agrees with Mr. Crum and thinks that change is beneficial and wondered if the Board should consider forming a task force to implement the changes and invite MACo to participate on the task force.

Mr. Prinkki said that the president of MACo has been visiting with Mr. Barrett and other officials to become involved.

Mr. O'Neill supports the motion and feels that it goes a long way toward increasing the efficiency of the process. He feels that the money needs to get to the people that need it in the most efficient way.

Senator Larson called for the question. Chairman Miles stated that it takes a two-thirds majority vote to end the debate. It was moved by Senator Larson and seconded by Ms. Wall-McDonald to close the debate and move to the vote on the main motion. The motion passed and debate was closed.

Chairman Miles called for the vote on the motion to approve the Workforce Investment Act (WIA) two year plan modification as publicly noticed on September 2, 2005 and submit to Governor Brian Schweitzer for the Governor to advance to the USDOL. The motion passed unanimously with three abstentions: Jody Messinger stated she was abstaining based on direction from the Superintendent of Public Instruction; Jeff Rupp abstained as a Program Operator in the system, as did Jackie Helt.

Mr. Barrett apologized for not understanding the bylaws and the processes used by MACo and why MACo did not submit comment during the public comment period.

Chairman Miles offered closing remarks and thanked everyone for their participation in the meeting. He committed the board and himself personally to work diligently to ensure that the benefits of the new statewide structure are implemented and improve Montana's workforce system.

VIII. Next Meeting Dates and Training

Chairman Miles announced that the next meeting is scheduled for October 20 and 21 and that meeting will be a combination of orientation and board meeting. The agenda and appropriate information will be forthcoming.

VIV. Adjournment

The meeting adjourned at 4:45.

Dan Miles, Chairman

Date